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| 10/601,901 | 06/24/2003 | Ken R. Powell | 104.028-03 | 7578 |

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Law Office of Jerome D. Jackson
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Alexandria, VA 22314

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| EXAMINER |
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CARLSON, JEFFREY D

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| ART UNIT | PAPER NUMBER |
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3622

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12/09/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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|------------------------------|---------------------------------------|--------------------------------------|--|
| Office Action Summary | Application No. 10/601,901 | Applicant(s) POWELL ET AL. | |
| | Examiner Jeffrey D. Carlson | Art Unit 3622 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 June 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2,4-10,12,15-19 and 23-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2,4-10,12,15-19 and 23-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This action is responsive to the paper(s) filed 6/20/2008.
2. All claims are drawn to the same invention claimed in the application prior to the entry of the submission under 37 CFR 1.114 and could have been finally rejected on the grounds and art of record in the next Office action if they had been entered in the application prior to entry under 37 CFR 1.114.
 - While the claims do include amendments, they are taken to merely be a re-arrangement of limitations already present and/or already addressed in the previous action.
3. Accordingly, **THIS ACTION IS MADE FINAL** even though it is a first action after the filing of a request for continued examination and the submission under 37 CFR 1.114. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Claim Objections

4. Claim 27 is objected to because of the following informalities:
 - Applicant appears to have made a typo as it appears that the language apparently to deleted from this claim does not include a strikethrough. The "means for displaying an amount for the respective product" is being treated as if it were deleted.
5. Appropriate correction is required.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. **Claims 2, 4-10, 12, 15-19, 23-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Powell (US5727153) in view of Kawan (US2002/0065712).**
8. Regarding claims 23-25, 27, 29, 4, 5, 10, 15, 16, 19, Powell teaches the concept of enabling users' cards to be swiped at product locations throughout store areas to collect coupons written to the card which are then redeemed at the checkout register. Powell does not describe the use of accumulating points through purchases and

redeeming the points for the coupons – Powell simply gives away the coupons. Kawan however, teaches the idea of frequent buyer (i.e. loyalty) points that accumulate on a customers card as a user makes purchases. A card-reading apparatus can display the user's current point balance as well as display the number of additional loyalty points needed for specific products or store credit. This creates an incentive for continued purchases by rewarding those loyal purchasers with discounted products as is typical of a loyalty incentive program. The terminal is capable of generating a coupon for the selected product [¶ 38]. Given the concept that the consumer can earn mere credits or entire free products, it would have been obvious to one of ordinary skill at the time of the invention to have offered multiple coupon benefits for a product at the product shelves of Powell: a coupon for a free product if the consumer was willing to exchange a large amount of his earned points, a coupon for a substantial discount (\$ or %) if the consumer was willing to exchange a fair number of earned points, or a coupon for a small discount (\$ or %) if the consumer was only willing to exchange a small amount of points. Having an option to spend more earned points for greater savings on a product would be a predictable way for one of ordinary skill to encourage the loyal purchasing habits desired. Providing display of a consumer's coupon/pricing choices relevant to his current point balance (card signal) therefore meets the claim language of displaying a varying amount depending on a signal from the purchase detection. Further, because the points-based discounts taught by Kawan are based upon the *particular user's loyalty point balance*, the offers found obvious by this combination with Powell would vary from user to user, even at the same product shelf terminal. Powell teaches a product

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location to include a card reader/writer at product locations adjacent to products on a shelf. Powell also describes the use of a display at the product location “for displaying product promotional messages” as well as an LED display which confirms successful writing of a coupon. Kawan also teaches a display (fig 1, fig 9) for providing information and choices to the consumer. It would have been obvious to one of ordinary skill at the time of the invention to have displayed a confirmation and the details of a successful coupon writing, such as “your card has successfully received a \$1.00 coupon in exchange for 350 club points” so that the user has confidence in and a confirmation of a successful coupon write operation.

9. Regarding claims 2, 8, 18, Official Notice is taken that it is both well known for a company to promote its other products as well as different companies to cross-promote in order to encourage sales. It would have been obvious to one of ordinary skill at the time of the invention to have provided point-driven loyalty coupons for either the same company or a partner company.

10. Regarding claims 6, 7, 9, 17, sending a coupon to the card and the subsequent redemption of that coupon at the POS both reflect a correspondence/association with the first signal (proper points earned).

11. Regarding claim 12, it would have been obvious to one of ordinary skill at the time of the invention to have provided a housing with the writers/readers of Powell to provide protection to the circuitry.

12. Regarding claims 26, 28, Powell teaches the presence of 5 product areas (110, 120, 130, etc. – Fig 1A).

Response to Arguments

13. Applicant argues that no reasonable combination would have suggested the claimed concepts of having plural product shelf/area display units, detecting a 1st purchase and displaying an amount responsive to the purchase detection. Applicant's sweeping statement that no proper/reasonable combination of the cited art exists is not a convincing argument why the particular prima facie case of obviousness *laid out by the examiner* is improper/unreasonable.

Applicant argues that the combination must teach all the claim limitations. A suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. In re Leonard R. Kahn (CAFC, 04-1616, 3/22/2006).

KSR forecloses the argument that a specific teaching is required for a finding of obviousness (citing KSR, 127 S.Ct. at 1741, 82 USPQ2d at 1396). See Board decision *Ex parte Smith*, --USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

KSR guidelines [Federal Register Vol. 72, No 195 – Examination Guidelines for Determining Obviousness Under 35 USC 103 in view of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*]

- *When considering obviousness of a combination of known elements, the operative question is thus "whether the improvement is more than the predictable use of prior art elements according to their established functions. "*
- *The rationale to support a conclusion that the claim would have been obvious is that a particular known technique was recognized as part of the ordinary capabilities of one skilled in the art. One of ordinary skill in the art would have been capable of applying this known technique to a known device (method, or product) that was ready for improvement and the results would have been predictable to one of ordinary skill in the art.*

As the examiner has stated in the rejections, it would have been obvious to one of ordinary skill at the time of the invention to have provided additional purchasing incentives by including Kawan's loyalty component in Powell's plurality of shelf units

which dispense coupons. A customer with a large number of detected purchases (i.e. a high loyalty points balance) will be offered/displayed higher/different discounts than a second customer with a small balance of loyalty points. Tying redemption of loyalty points to coupons/discounts would have been a predictable way to encourage more/repeated/loyal spending.

Conclusion

This is an RCE of applicant's Application No. 10601901. All claims are drawn to the same invention claimed in the earlier application and could have been finally rejected on the grounds and art of record in the next Office action if they had been entered in the earlier application. Accordingly, **THIS ACTION IS MADE FINAL** even though it is a first action in this case. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no, however, event will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 571-272-6716. The examiner can normally be reached on Monday-Fridays; off alternate Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jeffrey D. Carlson/
Primary Examiner, Art Unit 3622

Jeffrey D. Carlson
Primary Examiner
Art Unit 3622

jdc